

HB 156 Long Term Care Partnerships

LTC Partnerships started as a pilot program in 4 states (CA, NY, IN & CT)

What are they?

- ❖ Public/Private Partnerships
- ❖ Private insurance provides front-end financing of LTC
- ❖ Medicaid covers back-end funding if insurance is exhausted

What are the benefits?

- ❖ Result in Medicaid savings (Every additional policy saves Medicaid \$5,000)
- ❖ Provide dollar for dollar asset protection
- ❖ Voluntary lapse rate is around only 1%
- ❖ In the four pilot states, 208,000 policies were sold, only 119 policyholders exhausted their benefits and accessed Medicaid

Long term care facts:

- ❖ 2006 average cost of one year in a private nursing home is \$70,912
- ❖ Average net worth of Americans 65+ is 108,885
- ❖ Only 8% of LTC policyholders exhaust a 3 year benefit plan

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America's Health Insurance Plans